

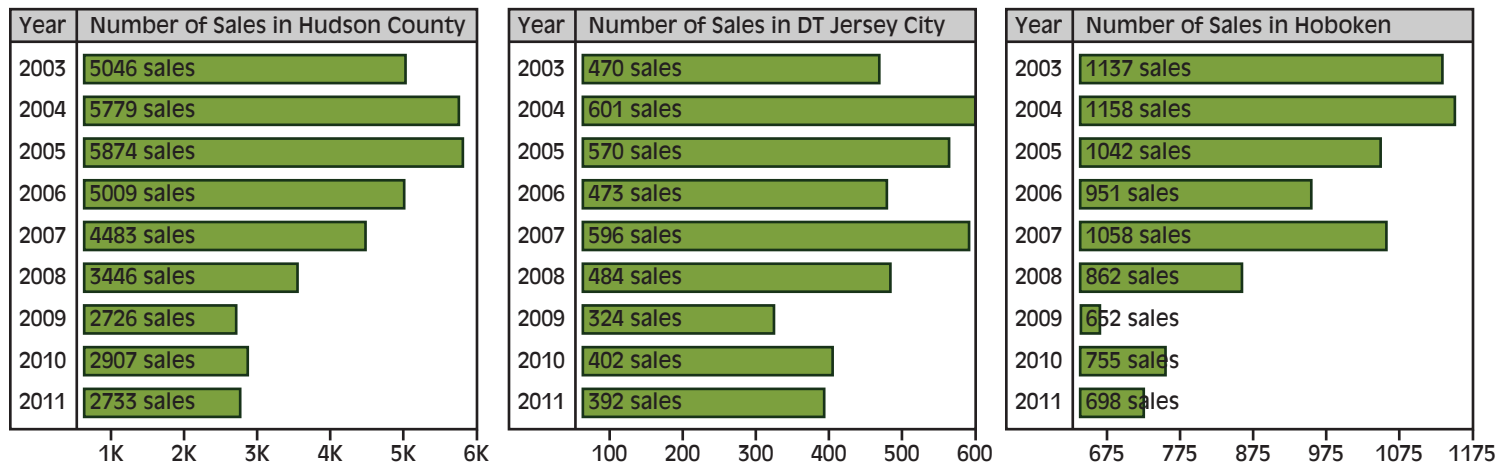
THE DANIELS REPORT

**4th Quarter 2011
NJ/NYC Metro**

Volume 15
Downtown Jersey City / Hoboken / Manhattan
Thursday January 5th, 2012

Year End Summary 2011

Entering the 2011 calendar year there was a great deal of doubt concerning the real estate market and consumer confidence in real estate. Those concerns proved to be unfounded. There was no double dip in real estate values as predict by some. This year was absolutely a positive step towards national real estate recovery. The NYC metro market has been stabilized for two years now. The market at this point is balanced in Downtown Jersey City / Hoboken and trending in an upward fashion. Manhattan over the past year has favored sellers slightly in most neighborhoods, evidenced by a significant amount of bidding wars and quicker sales. The luxury market in Manhattan has become a strong sellers market with scarce inventory and few new listings.



The graphs above show the sales trends since 2003. The number of sales is the most valuable statistic as it has a direct effect on inventory levels and which then affects price values. There are three important ideas to take away from the data above:

1. The decline in the real estate market for prime areas such as Hoboken and Downtown Jersey City occurred one year later the rest of the county and nation. Prime markets like NYC, Hoboken and downtown Jersey City are always the last to enter any housing downturn and the first to exit those down cycles as well.
2. Downtown Jersey City and Hoboken have seen the number of sales increase sharply from the low point in 2009 and the past two years those numbers have been consistent.
3. The sales numbers show stabilization in the market. Prior to markets become healthy and thrive they first must become stable and that is where we are in the NYC Metro real estate market.

	Hudson County	Jersey City	Hoboken
Avg. Peak Prices 2006	\$447,574	\$537,462	\$581,966
Change	- 18.0%	- 9.2%	-5.7%
Avg. Prices 2011	\$367,215	\$487,804	\$548,670

"How far off are the current prices from the peak?"

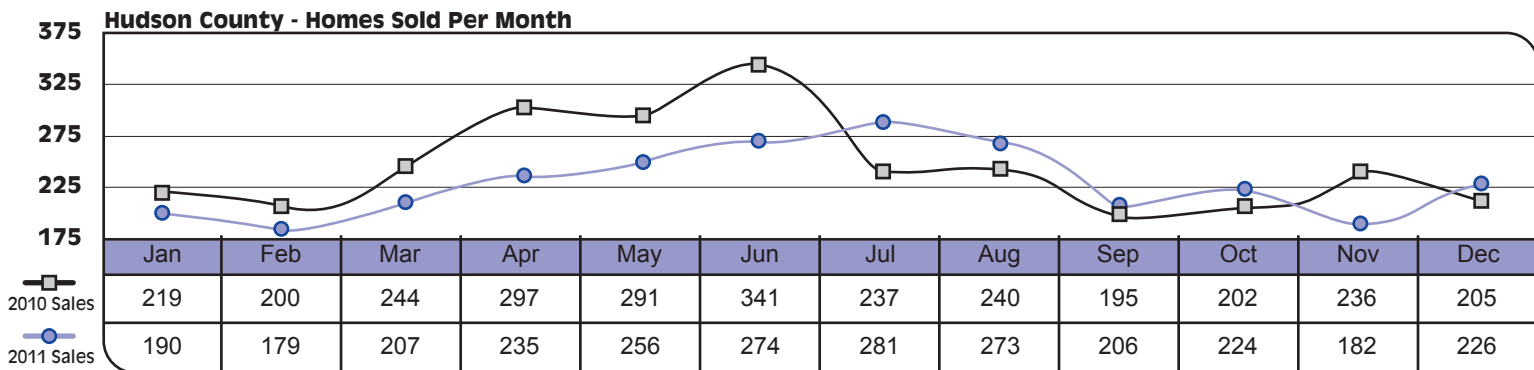
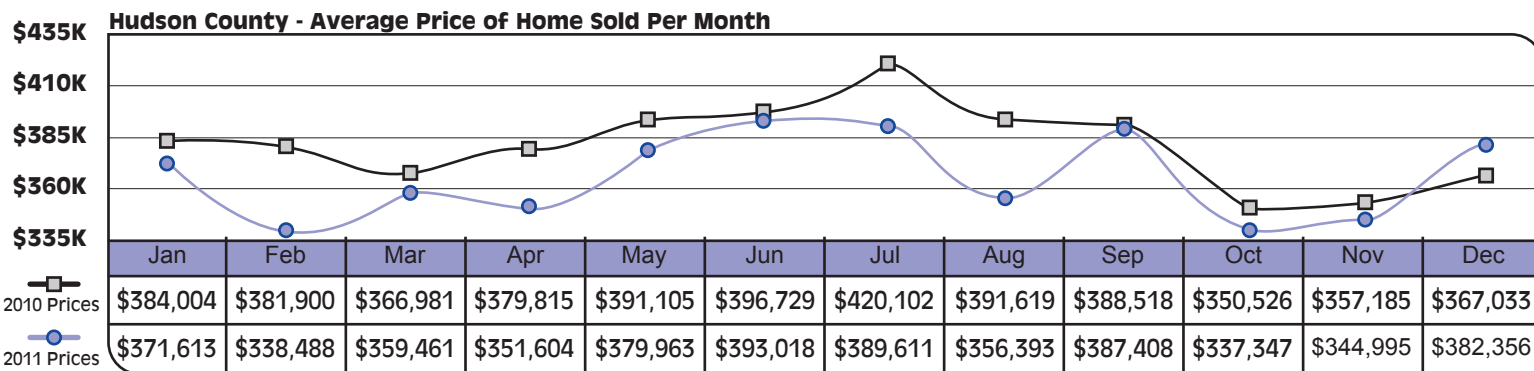
In 2006 Hudson County and most of the nation reached their highest average price values. That did not coincide with the peak number of sales. The reason is; increased number of sales create lower inventory levels which increases demand and then is reflected in prices. The number of sales is the most important statistic when determining the health of a market.

And Here's the Good News....

- The combination of strong demand and limited supply has pushed up the price of NYC luxury apartments, defined as the top 10% of the all condo and co-op deals, up 9% over the last year to an average of \$2,074 per square foot
- In early December new claims for unemployment benefits dropped to 381,000, suggesting the labor market recovery was gaining momentum
- With rental rates sky-rocketing in many metropolitan areas, the option of home ownership has become a more viable alternative to renting.
- The United States added a robust 200,000 new jobs in December, the Labor Department said, in a sign that the economic recovery was building up steam. That number is almost double the number of jobs added last year at this time.
- Pending home sales rose strongly nationwide in October, remaining up by 9.2 percent year-over-year, according to the October pending home sales report from the National Association of Realtors.

Hudson County Q4 Market Summary

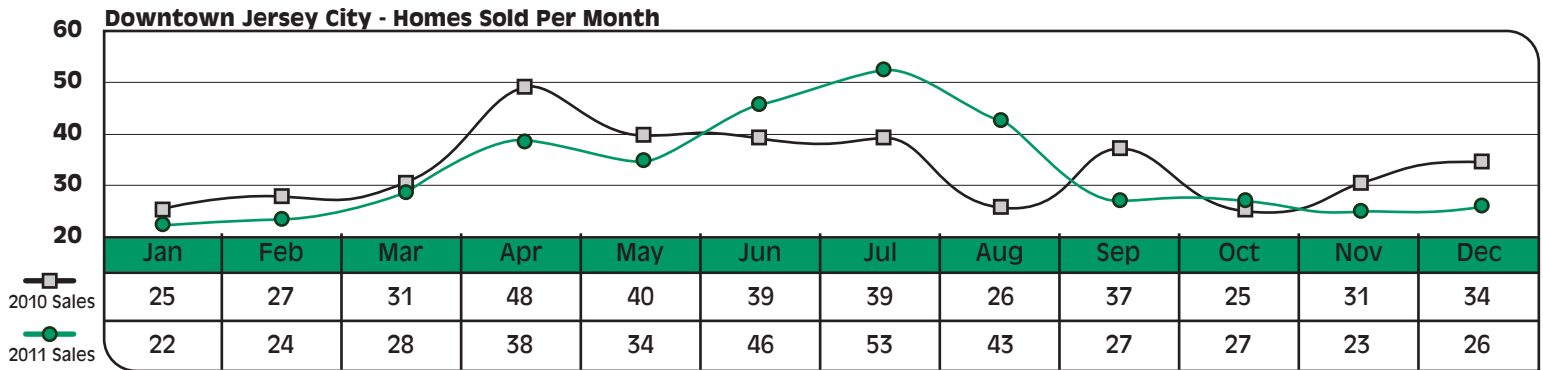
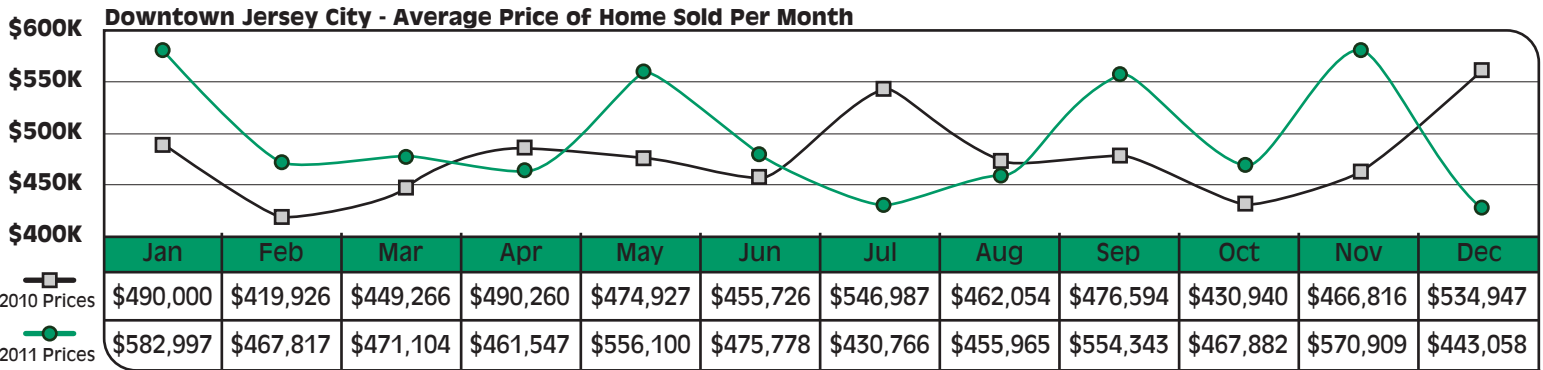
Comparison to Last Quarter				The county statistics are consistent with the seasonal shift in sales and in every category very similar to last year. Hudson county statistics are always affected more by the seasonal decrease than our prime areas such as Hoboken and downtown Jersey City. <small>Red arrows and print indicates a negative trend regardless of the direction of the arrow</small>	Comparison to Last Year			
	Q3 2011	Q4 2011	Change			Q4 2010	Q4 2011	Change
Average Sold Price	\$375,644	\$355,645	-5.3% ↓		Average Sold Price	\$358,233	\$355,645	-0.7% ↓
Number of Sales	778	632	-18.8% ↓		Number of Sales	643	632	-1.7% ↓
Days on Market	105	108	2.9% ↑		Days on Market	107	108	0.9% ↑
Median Sold Price	\$320,000	\$294,275	-8.0% ↓		Median Sold Price	\$325,000	\$294,275	-9.5% ↓
% of Asking Price	94.2%	93.3%	-1.0% ↓		% of Asking Price	93.7%	93.3%	-0.4% ↓



"We are getting back to a healthy ebb and flow in our market,"
- Diane Ramirez, the president of Halstead Property.

Downtown Jersey City Q4 Market Summary

Comparison to Last Quarter				Downtown Jersey City showed positive results in every statistic except number of sales compared to last year and last quarter. The graphs below show improved prices and the sales graph shape is very similar to the preceding year which indicates consistency. <small>Red arrows and print indicates a negative trend regardless of the direction of the arrow</small>	Comparison to Last Year			
	Q3 2011	Q4 2011	Change			Q4 2010	Q4 2011	Change
Average Sold Price	\$466,702	\$490,568	5.1% ↑		Average Sold Price	\$482,589	\$490,568	1.7% ↑
Number of Sales	123	76	-38.2% ↓		Number of Sales	90	76	-15.6% ↓
Days on Market	83	71	-14.5% ↓		Days on Market	89	71	-20.2% ↓
Median Sold Price	\$445,500	\$482,500	8.3% ↑		Median Sold Price	\$455,000	\$482,500	6.0% ↑
% of Asking Price	95.3%	95.5%	0.2% ↑		% of Asking Price	92.5%	95.5%	3.2% ↑



Downtown Jersey City	Price Per Square Foot	Studios & 1 Bedrooms	2 Bedrooms	3 Bedrooms
	4th Quarter 2011	\$413 Sq/Ft (25 Sales)	\$405 Sq/Ft (31 Sales)	\$356 Sq/Ft (7 Sales)
	3rd Quarter 2011	\$452 Sq/Ft (42 Sales)	\$437 Sq/Ft (57 Sales)	\$373 Sq/Ft (8 Sales)
	2nd Quarter 2011	\$464 Sq/Ft (39 Sales)	\$432 Sq/Ft (47 Sales)	\$422 Sq/Ft (9 Sales)
	1st Quarter 2011	\$453 Sq/Ft (30 Sales)	\$444 Sq/Ft (23 Sales)	\$362 Sq/Ft (12 Sales)

Downtown Jersey City	Property Type Year-to-Year	Studio/1BR		2BRs		3BRs+		1-Family		2-4 Family	
		Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price
	4th Qtr 2010	\$329,880 (31 sales)	\$350,000 (31 sales)	\$483,747 (32 sales)	\$497,000 (32 sales)	\$642,164 (11 sales)	\$640,000 (11 sales)	\$384,250 (4 sales)	\$391,000 (4 sales)	\$750,600 (10 sales)	\$670,000 (10 sales)
	Change	-5.9% ↓	-11.5% ↓	1.5% ↑	0.9% ↑	-15.2% ↓	-16.4% ↓	93.3% ↑	64.8% ↑	7.4% ↑	10.3% ↑
4th Qtr 2011	\$310,432 (25 sales)	\$309,900 (25 sales)	\$490,919 (31 sales)	\$501,500 (31 sales)	\$544,271 (7 sales)	\$535,000 (7 sales)	\$742,583 (6 sales)	\$644,500 (6 sales)	\$806,417 (6 sales)	\$739,250 (6 sales)	

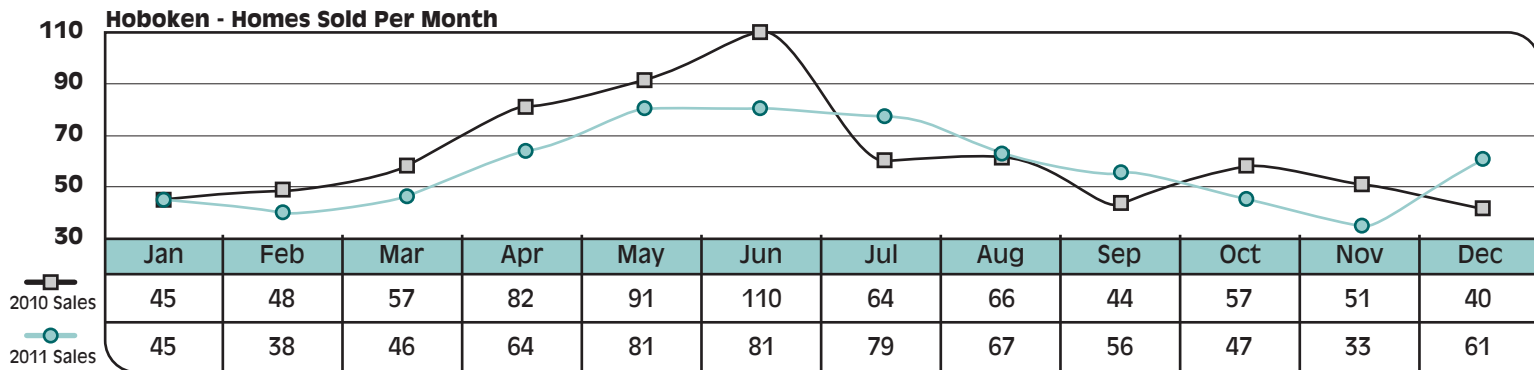
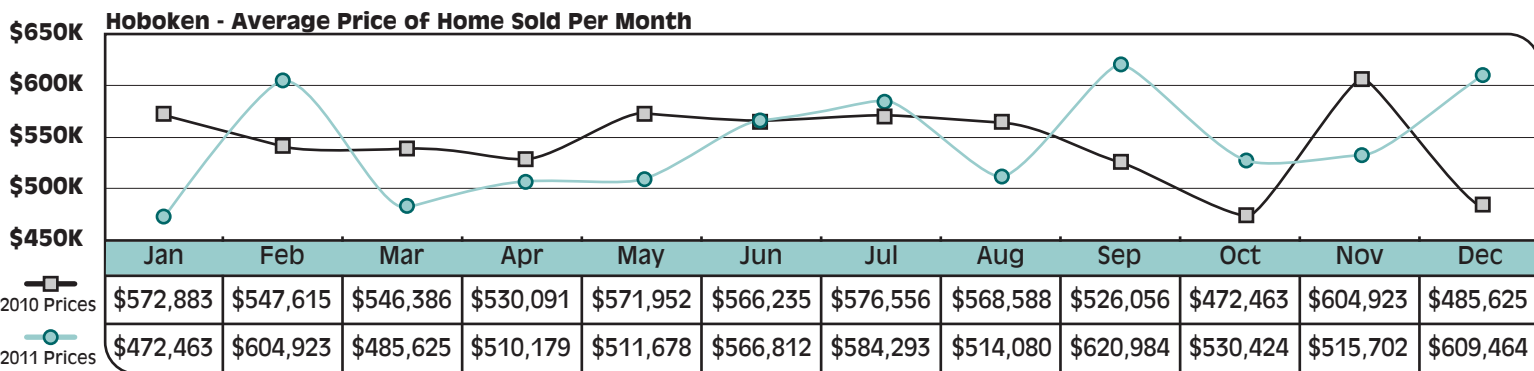
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Hoboken Q4 Market Summary

Comparison to Last Quarter				All of the statistics for Hoboken are lower than last quarter yet the prices have increased since last year this time. Hoboken continues to be a strong market to research as a home owner or investor. As stated earlier Hoboken is only 5.3% off of the peak prices in 2006. Red arrows and print indicates a negative trend regardless of the direction of the arrow	Comparison to Last Year			
	Q3 2011	Q4 2011	Change			Q4 2010	Q4 2011	Change
Average Sold Price	\$571,178	\$561,173	-1.8% ↓		Average Sold Price	\$521,665	\$561,173	7.6% ↑
Number of Sales	202	141	-30.2% ↓		Number of Sales	148	141	-4.7% ↓
Days on Market	65	67	3.1% ↑		Days on Market	85	67	-21.2% ↓
Median Sold Price	\$474,200	\$450,000	-5.4% ↓		Median Sold Price	\$457,495	\$450,000	-1.6% ↓
% of Asking Price	94.2%	95.8%	-0.3 ↓		% of Asking Price	95.7%	95.8%	0.1% ↑



Hoboken

	Price Per Square Foot	Studios & 1 Bedrooms	2 Bedrooms	3 Bedrooms
4th Quarter 2011		\$483 Sq/Ft (46 Sales)	\$480 Sq/Ft (71 Sales)	\$433 Sq/Ft (15 Sales)
3rd Quarter 2011		\$487 Sq/Ft (58 Sales)	\$473 Sq/Ft (98 Sales)	\$462 Sq/Ft (23 Sales)
2nd Quarter 2011		\$476 Sq/Ft (60 Sales)	\$460 Sq/Ft (128 Sales)	\$419 Sq/Ft (23 Sales)
1st Quarter 2011		\$436 Sq/Ft (39 Sales)	\$437 Sq/Ft (62 Sales)	\$477 Sq/Ft (15 Sales)

Property Type Year-to-Year	Studio/1BR		2BRs		3BRs+		1-Family		2-4 Family	
	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price
4th Qtr 2010	\$329,880 (52 sales)	\$350,000 (52 sales)	\$483,747 (66 sales)	\$481,000 (66 sales)	\$648,300 (17 sales)	\$619,100 (17 sales)	\$886,965 (6 sales)	\$862,000 (6 sales)	\$1,206,011 (6 sales)	\$1,187,500 (6 sales)
Change	9.8% ↑	-2.1% ↓	21.9% ↑	3.9% ↑	13.0% ↑	-1.1% ↓	53.5% ↑	68.2% ↑	-27.0% ↓	-29.1% ↓
4th Qtr 2011	\$362,240 (46 sales)	\$342,500 (46 sales)	\$589,491 (71 sales)	\$499,900 (71 sales)	\$732,567 (15 sales)	\$612,500 (15 sales)	\$1,361,667 (3 sales)	\$1,450,000 (3 sales)	\$880,667 (3 sales)	\$842,000 (3 sales)

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Supporting Data

Absorption and Inventory Levels

Inventory levels again have decreased in the 4th Quarter 2011, most notably Hoboken only had 234 Homes for sales at the end of the year that is an amazing number compared to last year at this time. A key number on this chart is Pending Sales which have increased compared to last year this time as well.

4th Quarter 2011	Current Inventory	New Listings/Mo.	Pending Sales/Mo.	Homes Sold/Mo.	Absorption Rate	Months of Inventory
Downtown Jersey City	318	68	29	25	8%	13 Months
Hoboken	234	52	50	47	20%	5 Months
Hudson County	3232	500	259	211	7%	15 Months

Q4 2011 Highest Residential Sales in Hudson County

Downtown Jersey City showed positive results in every statistic except number of sales compared to last year and last quarter. The graphs below show improved prices and the sales graph shape is very similar to the preceding year which indicates consistency.

HUDSON COUNTY	price band	% Sales	DOM
	\$0 - \$200K	27.85%	150
	\$201K - \$400K	42.24%	101
	\$401K - \$600K	18.51%	70
	\$601K - \$800K	6.49%	94
	\$800K - \$999K	1.90%	110
	\$1M+	3.01%	86

(632 total Sales in Q4 2011)

DT JERSEY CITY	price band	% Sales	DOM
	\$0 - \$200K	3.95%	64
	\$201K - \$400K	36.84%	77
	\$401K - \$600K	39.47%	51
	\$601K - \$800K	13.16%	123
	\$800K - \$999K	3.95%	51
	\$1M+	5.26%	92

(76 total Sales in Q4 2011)

HOBOKEN	price band	% Sales	DOM
	\$0 - \$200K	0.00%	N/A
	\$201K - \$400K	38.30%	67
	\$401K - \$600K	35.46%	57
	\$601K - \$800K	12.77%	83
	\$800K - \$999K	4.96%	67
	\$1M+	9.22%	80

(141 total Sales in Q4 2011)

Q4 2011 Highest Residential Sales in Hudson County

Type	Location	Sold Price	Date Closed	Size (Sq/Ft or Lot)
Studio Condo	Hudson Tea (1500 Washington St)- Hoboken	\$369,000	Dec. 22, 2011	735 Sq./Ft.
1 BR Condo	Maxwell Place (1025 Maxwell Lane) - Hoboken	\$790,000	Dec. 7, 2011	966 Sq./Ft.
2 BR Condo	Maxwell Place (1125 Maxwell Lane) - Hoboken	\$2,137,517	Dec. 16, 2011	1,915 Sq./Ft.
3 BR Condo	Garden Street Lofts (1425 Garden Street) - Hoboken	\$1,215,000	Nov. 30, 2011	2,002 Sq./Ft.
Townhouse	Maxwell Place (1125 Maxwell Lane) - Hoboken	\$2,090,045	Oct. 25, 2011	3,212 Sq./Ft.
1 Family	Hudson Street - Hoboken	\$1,810,000	Dec. 28, 2011	16.67 Ft. x 110 Ft.
2 Family	Paulmier Place - Jersey City	\$1,270,000	Oct. 27, 2011	17.5 Ft. x 75 Ft.
3 Family	Bloomfield Street - Hoboken	\$842,000	Oct. 14, 2011	19 Ft. 54.33 Ft.
4 Family	Pavonia Avenue - Jersey City	\$810,000	Nov. 11, 2011	22 Ft. 87.5 Ft.

A New York Minute...

Taking a look at the NYC market in Q4 2011 overall the average prices and total sales were lower than the previous quarter and last year, yet there are a few factors that need to be looked at to put the market data in context. Condo prices usually push the market net values and price per square foot values up. In Q4 2011 condo inventory decreased by 11%, new listings were 27% lower and New Construction inventory is very scarce compared to 2010. These factors had a direct affect on the values throughout the market.

Manhattan's West Side neighborhood (Generally 59th to 110th Street, Hudson River to West of Fifth Avenue)

As with most neighborhoods in Manhattan the luxury properties did very well on the Upper West Side. There are a few new construction projects that contributed to those luxury values increasing, most notably The Laureate which has an average sales price of \$6.5M.

Upper West Side	Property Type Year-to-Year Comparison	Overall			Average Price (co-ops & condos)			
		Condo Avg \$ per sq/ft	pre-war CO-OP Avg \$ per room	post-war CO-OP Avg \$ per room	Studio	1BR	2BR	3BRs+
	4th Qtr 2010	\$1,309	\$260,653	\$212,348	\$391,228	\$766,529	\$1,378,920	\$4,030,338
Change	20.0% ↑	8.6% ↑	-9.9% ↓	5.2% ↑	-8.7% ↓	13.8% ↑	6.1% ↑	
4th Qtr 2011	\$1,571	\$283,042	\$199,222	\$411,512	\$699,714	\$1,569,504	\$4,276,677	

Manhattan's Downtown neighborhood (South of 34th Street)

The overall values in the Downtown market were down compared to last year. The number of 2BR apartments that sold in Q4 2011 was less than in 2010 and the number of studio sales increased, which lead to a decreasing in the total dollar amount. Condo prices in downtown actually were significantly lower than co-op sale prices in Q4 2011. Having less condo sales which are usually more expensive than co-ops contributed to the decrease in values as well.

Downtown	Property Type Year-to-Year Comparison	Overall			Average Price (co-ops & condos)			
		Condo Avg \$ per sq/ft	pre-war CO-OP Avg \$ per room	post-war CO-OP Avg \$ per room	Studio	1BR	2BR	3BRs+
	4th Qtr 2010	\$1,194	\$235,826	\$195,854	\$444,618	\$741,919	\$1,581,625	\$3,605,513
Change	5.3% ↑	-7.5% ↓	-3.6% ↓	-4.0% ↓	1.3% ↑	-11.9% ↓	-3.0% ↓	
4th Qtr 2011	\$1,257	\$218,031	\$188,730	\$426,648	\$751,221	\$1,392,953	\$3,496,106	

Manhattan's East Side neighborhood (Generally 59th to 96th Street, Fifth Avenue to the East River)

The Upper East side 3BR+ sales were largely carried by 3 sales over \$20M, while that may seem like an anomaly the UES is where you see some of the largest sales historically, it is a sustainable statistic that is fairly similar throughout the past years.

Upper East Side	Property Type Year-to-Year Comparison	Overall			Average Price (co-ops & condos)			
		Condo Avg \$ per sq/ft	pre-war CO-OP Avg \$ per room	post-war CO-OP Avg \$ per room	Studio	1BR	2BR	3BRs+
	4th Qtr 2010	\$1,126	\$383,335	\$210,559	\$355,459	\$647,207	\$1,581,971	\$3,605,513
Change	8.3% ↑	7.4% ↑	3.2% ↑	-12.4% ↓	-2.0% ↓	-3.9% ↓	41.6% ↑	
4th Qtr 2011	\$1,219	\$411,540	\$217,314	\$311,343	\$634,256	\$1,520,263	\$5,105,215	

The New York City market has been showing signs of great progress since the low point in Q2 2009. Currently we are experiencing high demand and low inventory in certain pockets of the market especially in the luxury and new construction market where there is significant pent up demand for that inventory.

Read the full Halstead Property NYC report: http://media.halstead.com/pdf/Halstead_QuarterlyReport_4Q11.pdf

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